

Message Text

LIMITED OFFICIAL USE

PAGE 01 LISBON 01442 151108Z

21

ACTION EUR-12

INFO OCT-01 AF-06 NEA-09 ISO-00 IO-10 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 EB-07 CIEP-01 TRSE-00

STR-01 OMB-01 CEA-01 COME-00 FRB-03 XMB-02 OPIC-03

LAB-04 SIL-01 SAM-01 NIC-01 ACDA-05 /118 W

----- 070983

P R 151020Z MAR 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 2102

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMCONSUL LUANDA

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

LIMITED OFFICIAL USE LISBON 1442

EO 11652: N/A

TAGS: PINT, PO

SUBJECT: BANK NATIONALIZATION: FURTHER DEVELOPMENTS

REF: LISBON 1404, 1423, 1428

1. IN BRIEF TV INTERVIEW NIGHT MARCH 14, PRIME MINISTER VASCO GONCALVES STRESSED THAT NATIONALIZATION OF PRIVATE BANKS IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LISBON 01442 151108Z

PORUGAL DID NOT MEAN THAT THE ENTIRE ECONOMY WAS GOING TO BE

NATIONALIZED. NOR DID IT MEAN THE END OF PRIVATE INITIATIVE.

2. GONCALVES TOOK PAINS TO PLACE BANK NATIONALIZATION, WHICH HE LAUDED ENTHUSIASTICALLY, IN CONTEXT OF BETTER ECONOMIC DEVELOPMENT FOR COUNTRY. SAID THAT NOW THE PEOPLE'S MONEY WOULD SERVE THE TRUE INTERESTS OF THE COUNTRY. SAID THAT PEOPLE SHOULD NOT EXPECT MIRACLES FROM NATIONALIZATION OF BANKS, THAT HARD DAYS OF SACRIFICE LAY AHEAD.

3. GONCALVES DID NOT MENTION COMPENSATION FOR BANKS WHICH HAVE BEEN NATIONALIZED.

4. PRESIDENT COSTA GOMES ALSO ADDRESSED HUGE NIGHTTIME RALLY IN FRONT OF PRESIDENTIAL PALACE. WELCOMED BANK NATIONALIZATION, CALLING IT "MOST REVOLUTIONARY LAW EVER PROMULGATED IN THIS COUNTRY." SAID IT WAS "EXTREMELY POSITIVE" MEASURE WHICH FOR FIRST TIME WOULD SUBORDINATE ECONOMIC POWER TO POLITICAL POWER. AT SAME TIME, PRESIDENT SAID FOR MEASURE TO GIVE GOOD RESULTS HARD WORK WAS NECESSARY.

5. IN SEPARATE STATEMENTS, SOCIALIST AND COMMUNIST PARTIES WELCOMED NATIONALIZATION OF BANKS. PCP LABELED MEASURE "INDISPENSABLE FOR DEVELOPMENT OF DEMOCRATIC PROCESS," AND CALLED FOR COUNTRYWIDE DEMONSTRATIONS OF POPULAR JOY. SOCIALISTS NOTED THAT NATIONALIZATION AS WELL AS FLIGHT AND IMPRISONMENT OF ECONOMIC LEADERS IS TANTAMOUNT TO "DESTRUCTION OF POWER CENTER OF NATIONAL CAPITALISM." SOCIALISTS ALSO POINTED OUT THAT BANK NATIONALIZATION HAS LONG BEEN PART OF THEIR PROGRAM. POPULAR DEMOCRATS LIMITED THEMSELVES TO EXPRESSING HOPE THAT NEW BANK ADMINISTRATORS WOULD BE DEMOCRATICALLY ELECTED BY BANK EMPLOYEES THEMSELVES.

6. MEANWHILE, INSURANCE WORKERS CONTINUE TO CALL FOR NATIONALIZATION OF ALL INSURANCE COMPANIES AND SOME INSURANCE COMPANY OFFICES HAVE BEEN OCCUPIED BY EMPLOYEES.

CARLUCCI

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, SOCIAL CHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON01442
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750091-0411
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750347/aaaabqge.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LISBON 1404, 75 1423, 75 1428
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by ElyME>; APPROVED <20 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANK NATIONALIZATION: FURTHER DEVELOPMENTS
TAGS: PINT, PO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006